

Fiscal Estimate - 2009 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

LRB Number 09-2235/3	Introduction Number AB-0194	
Description Administration of certain public assistance programs in Milwaukee County, removing county civil service protections from certain employees, required provisions in certain collective bargaining agreements under the Municipal Employment Relations Act, and making an appropriation		
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <div style="display: flex;"> <div style="width: 50%;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 50%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> </div> </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div> Local: <div style="display: flex;"> <div style="width: 60%;"> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex;"> <div style="width: 50%;"> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input checked="" type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory </div> <div style="width: 50%;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory </div> </div> </div> <div style="width: 40%;"> 5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> Towns <input checked="" type="checkbox"/> Counties <input type="checkbox"/> School Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Cities </div> </div> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div> Fund Sources Affected <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.435 (4)(bn), 20.435 (4)(L) </div> <div> Affected Ch. 20 Appropriations </div> </div>		
Agency/Prepared By DHS/ Carrie Schneck (608) 266-5362	Authorized Signature Andy Forsaith (608) 266-7684	Date 4/14/2009

Fiscal Estimate Narratives

DHS 4/14/2009

LRB Number	09-2235/3	Introduction Number	AB-0194	Estimate Type	Original
Description Administration of certain public assistance programs in Milwaukee County, removing county civil service protections from certain employees, required provisions in certain collective bargaining agreements under the Municipal Employment Relations Act, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Health Services (DHS) to establish a Milwaukee County enrollment services unit to determine eligibility for Medical Assistance, FoodShare, and funeral and cemetery aid programs. The bill permits the Department of Children and Families (DCF) to contract with DHS for child care subsidy program (Shares) functions. Under the bill, DHS would manage the income maintenance and state supplemental payment programs in Milwaukee County. The bill requires that supervisory personnel in the enrollment services unit be state employees and that all other employees in the unit may be a combination of state and county employees. The county is required to expend an amount specified in the bill for the operation of income maintenance programs in the county. DHS must reimburse the county for approved costs, primarily related to staff.

AB 194 does not impose an additional cost for DHS above the amount provided in the Governor's 2009-11 Biennial Budget recommendation (AB 75). AB 75 provides funds for transitional costs to implement the Department's assumption of these functions by January 1, 2010, while DHS continues to pay Milwaukee County for administration of the income maintenance program for the duration of its calendar year 2009 contract.

In future years, it is anticipated that current funding used for income maintenance payments to Milwaukee County in conjunction with current funding contributed by Milwaukee County to income maintenance functions will be sufficient to support the costs of State assumption of these functions.

As noted above, there may be expenditures related to Shares should DCF contract with DHS for Shares functions. These activities would be cost neutral to DHS as they would be funded with existing Shares funding provided by DCF. There are also state employment relations and benefits provisions included in the bill; any costs related to these items would be borne by the Office of State Employment Relations and the Department of Employee Trust Funds. The fiscal impacts of this bill's provisions on departments other than DHS are not included in this fiscal note.

In the absence of this bill, funding for Milwaukee County income maintenance activities, including the income maintenance allocation and county contribution, would total approximately \$24 million, of which approximately \$3.55 million would have been provided by Milwaukee County (based on CY 2007 county expenditures). Under this bill, these funds would be used by the State for Milwaukee County income maintenance functions. The amount of County contribution would be adjusted each year commensurate with annual increases to wages and benefits.

DHS would use the \$24 million to pay for County income maintenance worker's staff and fringe costs, state supervisory staff, space, and supplies and services expenses. It is expected that revenues and expenses would offset one another, causing the State to neither have excess revenue nor new expenses not covered by an existing revenue source.

Milwaukee County currently receives a portion of any FoodShare and Medical Assistance fraud, overpayment, or estate recoveries for use in the income maintenance program. The bill specifies that these funds would come to the State because the State would be responsible for allocating the managers and staff for this task in Milwaukee and paying Milwaukee County for their staff. DHS would use any incentive payments to pay for the resources devoted to these efforts.

Milwaukee County currently incurs infrastructure costs, including building costs, information technology, fiscal, and human resources costs. A portion of these costs may be shared with other Milwaukee County programs. As the State assumes the administration of income maintenance functions in Milwaukee County, the County could potentially eliminate a portion of the infrastructure costs. The precise impact on

infrastructure costs cannot be estimated at this time, although current discussions suggest that Milwaukee County would only be providing human resources and payroll services.

Long-Range Fiscal Implications

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Agency/Prepared By ETF/ Jon Kranz (608) 267-0908	Authorized Signature Bob Conlin (608) 261-7940
Date 4/15/2009	

Fiscal Estimate Narratives

ETF 4/15/2009

LRB Number	09-2235/3	Introduction Number	AB-0194	Estimate Type	Original
Description Administration of certain public assistance programs in Milwaukee County, removing county civil service protections from certain employees, required provisions in certain collective bargaining agreements under the Municipal Employment Relations Act, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Health Services to create an enrollment services unit to assist in the administration of income maintenance programs for the County of Milwaukee. It provides that certain employees currently employed by Milwaukee County who subsequently become state employees may choose to remain in the Milwaukee County retirement system or join the Wisconsin Retirement System. These employees will be eligible to participate in the state group health insurance program regardless of which retirement system they participate in.

Health insurance costs will increase due to increased participation. The actual cost is dependent upon the number of employees hired and the health plan option chosen by those employees.

Approximately \$5,000 in implementation costs are expected as a result of this bill.

Long-Range Fiscal Implications

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Fiscal Estimate Narratives

OSER 4/14/2009

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Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Health Services (DHS) to establish a Milwaukee County enrollment services unit to determine eligibility for Medical Assistance, FoodShare, and funeral and cemetery aid programs. The bill permits the Department of Children and Families (DCF) to contract with DHS for child care subsidy program (SHARES) functions. Under the bill, DHS would administer the income maintenance and state supplemental payment programs in Milwaukee County.

The bill requires that supervisory personnel in the enrollment services unit be state employees and that all other employees in the unit may be a combination of state and county employees. The county is required to expend an amount specified in the bill for the operation of income maintenance programs in the county, and DHS must reimburse the county for approved costs, primarily related to staff.

It might be assumed that workloads and associated costs would increase for operations at the Office of State Employment Relations, though these assumed increases would be indeterminate and likely negligible for two reasons. The first reason is that OSER is already responsible for centralized employment relations functions under the State Employment Relations Act (SELRA) found at sec. 111.80 Wis. Stats., and this bill would not add significantly to that responsibility. The second reason is that the vast majority of current Milwaukee County employees affected by this bill would remain county employees whose employment rights and collective bargaining agreements would continue to be administered by county personnel under the Municipal Employment Relations Act (MERA) found at sec. 111.70, Wis. Stats.

Please see fiscal estimates submitted by the Departments of Health Services and Children and Families for their respective assessments of costs associated with the bill's provisions.

Long-Range Fiscal Implications